

1 BY MR. SMITH:
 2 Q Paragraph number 12, this language that I've referred to
 3 indicates that the indebtedness lasts -- survives for one
 4 year; correct?
 5 A It says the guaranty shall survive final payment in full.
 6 Q For one year?
 7 A For a period of one year.
 8 Q With a contingency; right?
 9 A Yes; correct.
 10 Q Paragraph number 4 says it lasts, basically, it continues
 11 into infinity without a termination statement; right?
 12 MR. MARCH: Same objection. You may answer.
 13 THE WITNESS: Paragraph 4 appears to indicate that.
 14 BY MR. SMITH:
 15 Q Wouldn't you agree with me that those, read together, this
 16 document is ambiguous as to when it's supposed to end?
 17 A I can't render an opinion on that. As I stated before --
 18 Q I'm not asking for a legal opinion, I'm just asking for a lay
 19 opinion.
 20 A I can't say that conclusively.
 21 Q You don't want to answer that question?
 22 A I can't render an assessment of that based upon the fact that
 23 you're looking at two different parts of the document, and
 24 the document language that surrounds the paragraph, there may
 25 be some other language that supports that. I can't say

1 conclusively.
 2 Q Take a look at paragraph number 1. Read paragraph 1 to
 3 yourself.
 4 A Okay.
 5 Q What is the indebtedness, just based on your lay
 6 understanding, that Mr. Harbin was guaranteeing when you
 7 asked him to sign this agreement?
 8 MR. MARCH: Your question is pertaining to
 9 paragraph 1?
 10 MR. SMITH: Yes.
 11 THE WITNESS: My understanding of that is it's
 12 saying that the guarantor is guaranteeing the payment
 13 for the purchase orders as referenced when due and at
 14 all times thereafter of purchase orders.
 15 BY MR. SMITH:
 16 Q Just those purchase orders; is that right?
 17 A That's my understanding, yes.
 18 (Exhibit 9 marked for identification.)
 19 BY MR. SMITH:
 20 Q I show you what's been marked as Deposition Exhibit Number 9
 21 and ask you if you can identify that.
 22 A It appears to be the same type of document as Exhibit 8.
 23 Q Compare it to number 8 and take a look and see if you can
 24 determine whether Exhibit Number 9 is a fully executed
 25 document, as opposed to a non-executed document.

1 A I would agree with that.
 2 Q And based on your understanding of Exhibit Number 9, is this
 3 the document that was finally, basically, the same document
 4 as Exhibit Number 8 with some changes to it, but this is a
 5 document that was finally negotiated with Michael and Hope
 6 Harbin; is that right?
 7 A That's correct.
 8 Q And if you look at paragraph number 12, would it be fair to
 9 say that the language that Mr. Harbin wanted taken out has
 10 been taken out?
 11 A Yes. I would agree with that.
 12 Q Do you have an independent recollection of whether that was
 13 your decision or somebody else's decision?
 14 A I don't recall whose decision it was.
 15 Q Typically, when you're negotiating documents with one of the
 16 dealers and the dealer says I want to change this paragraph
 17 or that paragraph, is that going to be, typically, your
 18 decision, or somebody else's?
 19 A It could be someone else's decision.
 20 Q I'm sorry?
 21 A It could be someone else's decision.
 22 Q Is that your boss, or the Legal Department, or somebody else?
 23 A Generally, it's a combination of my boss and our Legal
 24 Department's decision.
 25 Q As I understand it, you don't have any specific recollection

1 of having deleted that particular paragraph. What would be
 2 the process under which that would be accomplished?
 3 A Well, you know, I can't recall specifically at that
 4 particular time, but in today's environment we would have
 5 referred, or sent the document with the changes requested to
 6 our Legal Department to review, and would thus receive back
 7 their opinion as to what could be changed and what could not
 8 be changed.
 9 Q You don't know when that process was put into place, do you?
 10 A I'm not saying that it wasn't in place at that time. It
 11 could have been the process that was used at that time.
 12 Q Would there be an exchange of correspondence between the
 13 Legal Department and the Credit Department which would
 14 indicate I need some help with this particular document, the
 15 dealer wants it changed, and the Legal Department responds in
 16 some fashion?
 17 A That's the typical way, is that we would either send a
 18 document to the Legal Department, they would mark it
 19 accordingly, or send us an e-mail one way or the other to
 20 give their assessment of the document, what changes they were
 21 recommending.
 22 Q I didn't see anything in the files that Steelcase has
 23 provided in this case which indicated any sort of interchange
 24 between the Credit Department and the Legal Department. Do
 25 you know why that is?

DEFENDANT'S
EXHIBIT
11
PENGAD-Bygonne, N. J.